

## **IDENTIFICATION OF THE AREA:**

**Name or Designation:** *KENT-COVINGTON-MAPLE VALLEY-BLACK DIAMOND-AND UNINCORPORATED KING COUNTY*

### **Area 65**

#### **BOUNDARIES:**

Area 65 is bounded on the West by the westerly boundaries of the following Sections, Townships and Ranges: Sections 11, 14, 23 & 26 of T. 22 N., R. 4 E., Section 32, T. 22 N., R. 5 E., Sections 5, 8, 17 & 23 of T. 21 N., R. 5 E. and the west line of Section 27, T. 21 N., R. 6 E.

Area 65 is bounded on the North by S. 208<sup>th</sup> Street as extended to Section 11, T. 22 N., R. 7 E. Then South to the north line of the following Sections, Townships and Ranges: Sections 13 & 14 of T. 22 N., R. 7 E., Sections 14, 15, 16, 17, & 18 of T. 22 N., R. 8 E. Then South to the north line of the following Sections, Townships and Ranges: Sections 1 & 2 of T. 21 N., R. 8 E., Sections 1 to 6 of T. 21 N., R. 9 E., Sections 1 to 6 of T. 21 N., R. 10 E., Sections 5 & 6 of T. 21 N., R. 11 E. Then south to the north line of Sections 21 to 24 of T. 21 N., R. 12 E.

Area 65 is bounded on the East by the easterly boundary of King County and the easterly boundary lines of the following Sections, Townships and Ranges: Section 10, T. 22 N., R. 7 E. Then to the ½ Section line of Sections 14, 23, 26 & 35 of T. 22 N., R. 8 E.

Area 65 is bounded on the South by the southerly line of Section 25, Township 21 North, Range 11 East and extended westerly to Section 28, Township 21 North, Range 6 East. Then the South boundary moves to the southerly line of Sections 19 to 21 of T. 21 N., R. 6 E. and Sections 23 & 24 of T. 21 N., R. 5 E. Then to the southerly line of Sections 15, 16 & 17 of T. 21 N., R. 5 E. Then to S. 277<sup>th</sup> Street and finally to the southerly ¼ line of Section 26 of T. 22 N., R. 4 E.

Area 65 contains approximately 193,300 acres, of which, approximately 29,400 acres are incorporated within the Cities of Kent, Black Diamond, Covington and Maple Valley.

#### **MAPS:**

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King County Administration Building.

## AREA DESCRIPTION:

Area 65 is located just north of the SE corner of King County and is comprised of approximately 193,300 acres, which includes four incorporated cities. The city of Kent is the second city incorporated in King County in 1890. Black Diamond has been incorporated since 1959 while Covington and Maple Valley have been in existence only since August 31, 1997. Briefly, the largest of the four cities is Kent with a population of near 84,210 and has a total land area of 18,310 acres. It covers a geographic area of 29 square miles. Kent is the 4<sup>th</sup> most populated city in King County. Maple Valley is next with a population of 15,730 and has a total land area of 3,609 acres. Covington is third with a population of 14,850 and has a total land area of 3,540 acres. Finally, Black Diamond with a population of 3,995 and has a total land area of 3,936 acres.

POPULATION AND GROWTH RATES				
<u>CITY</u>	<u>1990</u>	<u>2003</u>	<u>CHANGE</u>	<u>%CHANGE</u>
Kent	37,960	84,210	46,250	+122%
Covington	11,100	14,850	3,750	+34%
Maple Valley	6,660	15,730	9,070	+136%
Black Diamond	1,422	3,995	2,573	+181%

The major development of commercial/industrial/retail/office use is found within the borders of the four cities noted above. However, within these cities are commercial districts that have grown rapidly over the past five years. These areas of rapid growth have taken place along major arterial or intersections. The fastest of these would be the intersection of SR-18 and SR-516 (Covington CBD). Since the City of Covington implemented their first Comprehensive Plan in September 2001, the intersection of SR-18 and SR-516 is seeing a high rate of new construction (Wal-Mart, Walgreen, Bowen Scarff Ford car dealership and three major retail buildings). More new construction at the intersection SR-169 and SR-516 (Four Corners) new line retail building, Jiffy Lube, a mini storage, and a new office building. At the intersection of SR-167 and S 212<sup>th</sup> St. another big box retail is under construction (Winco Food Store with over 95,000sf GBA). Another development is occurring at the intersections of Kent-Kangley and 152<sup>nd</sup> Ave SE. The intersection of Kent-Kangley and 104<sup>th</sup>, known as the Kent East Hill Community shopping center, has been steadily busy and well occupied. A major renovation of the Kent Meridian high school is located in the middle of this community commercial zoned area. Kent School district purchased the 5.3 acre parcel adjacent to Kent Meridian high school that used to house a 22,440sf movie theater. The former movie theater is under going a major renovation and addition converting it to a high school auditorium and a

facilities office for the Kent School district. Last but not the least is the construction of a new business park in Maple Valley.

<sup>1</sup>**City of Kent** has a progressive government, which recognizes the importance of business to the health of the community. Kent is one of the largest warehouse distribution and industrial manufacturing centers in North America with the state's highest concentration of over 45 million sq. ft. of space. It has an excellent rail and truck transportation, strategically located on Interstate 5 and State Route 167 halfway between the Ports of Seattle and Tacoma, and 10 minutes from SeaTac International Airport. Other major routes include the Valley Freeway (SR-167), which traverses Kent north-south, while I-405 and SR 516 run east-west through South King County. Both the Union Pacific and Burlington Northern Railroads provide services to many business and industrial properties, and Kent is now a stop for the regional commuter rail system which provides service between downtown Tacoma and Seattle. Kent is the seventh largest city in the state (84,210). Kent has taken a lead in Western Washington in addressing transportation congestion and freight mobility by investing over \$87 million and leveraging an additional \$120 million for three east-west transportation corridors that link Kent businesses with Interstate 5. Low taxes (no B&O tax) and a new state-of-the art permit center make Kent a favorite business location.

The Kent valley is home to a wide variety of warehousing, processing, manufacturing, and distribution centers. The City of Kent owns 22.5 acres of prime real estate in downtown Kent. This property is being offered for development of a mixed-use urban village. Additional public and privately owned properties could be added to create a larger parcel. The site is adjacent to the Sound Transit Commuter Rail Station, which opened February 5, 2001 providing service to Seattle and Tacoma. It is the City's first commuter train service. Numerous changes to the Kent downtown area will follow

Downtown Kent is the vibrant traditional center of the Kent Valley. Kent's historic downtown district offers great restaurants, specialty retail, office space, and plenty of free parking. Almost 12,000 employees work within 1 mile of downtown. Downtown Kent is also the financial hub of the City, with numerous banks and deposits of over \$300 million. Coming in 2005 is Kent Station — a town center project with a 12 screen multiplex theater, a branch campus of Green River Community College and additional retail and restaurants. This project, to be located adjacent to the Sounder commuter rail station, will create a community focal point and gathering place, making downtown Kent an economic and community cornerstone for years to come.

Downtown is also home to the City's civic center including City Hall, the Kent Downtown Library, the Kent Downtown Post Office, and the King County Regional Justice Center. Each day 150 jurors arrive at the Regional Justice Center with time to shop and sample restaurants.

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<sup>1</sup> City of Kent

<sup>2</sup>The Kent Station project is the realization of the City of Kent's vision to create a destination downtown that is the community's focal point and identity. Set for groundbreaking in 2004 and a 2005 opening, Kent Station is a \$100 million, 470,000 square-foot retail, education, entertainment and residential project. The project is strategically located adjacent to Sound Transit's Sounder Commuter Rail Station and parking garage, Kent existing downtown and the King County Regional Justice Center. This developer for the project is Tarragon Development, and the project will be built on 18.2 acres of property that the City purchased in 2001.

The City of Kent has a longstanding vision to create a more vital and identifiable downtown. Both the Kent Comprehensive Plan (1995) and the Downtown Strategic Action Plan (1998) articulate the vision for an expanded downtown with retail, office, residential and entertainment uses located adjacent to transit.

To further the downtown vision, the City made two strategic investments. First, in 1999 the City agreed to contribute \$4 million to Sound Transit for the construction of a structured parking facility at the Commuter Rail Station. Four million dollars was the price difference between building a surface parking lot, the original proposal, and a structured parking facility. Sound Transit commenced commuter rail service in February 2001, helping to connect Kent commuters to downtown Seattle and eventually Tacoma. The parking structure opened in March 2002.

Second, the City purchased 19.9 contiguous acres of property in the downtown core (adjacent to the Sounder commuter rail station and parking garage) between 1999 and 2001 for \$14 million. Purchase of the property enables the City to stimulate and control redevelopment of prime downtown property that was in industrial use. A majority of this property was in use by the Borden Chemical Plant, which at the time was a successful and profitable manufacturing plant in downtown Kent.

In January 2004 the City Council approved the sale of 10 acres of the property to the developer for the construction of the first phase of the project. The developer will have an option to purchase additional phases of the property in the future. Construction on the project will begin in 2004, with a 2005 opening.

Kent Station is a once in a lifetime opportunity to grow Kent's economy and to create a mixed-use destination downtown next to mass transit. Overall, the City is investing \$17.3 million into the project which will become Kent's new economic anchor, is projected to create over 500 jobs and will provide a more vital and identifiable City Center with homes, jobs, services and shopping to serve the greater Kent community. The long-term payback revenues from the project will come from the phased sale of the land to the developer and tax revenues

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<sup>2</sup> City of Kent

Companies making their home in Kent include Flow International, Hexcel Corporation, Mikron Industries, Starbucks Roasting Plant, Oberto Sausage Company, South County Journal newspaper printing press, REI, and Boeing. There is still vacant land available for office and industrial development. In Kent's downtown and the industrial area there are developed properties ready for occupancy or redevelopment.

Other new major commercial developments in the City of Kent either recently certified for occupancy or under construction include the following:

- 2 story Medical/Dental building in East Hill Kent
- 1 story Medical/Dental building in East Hill Kent
- 2 building line retail at the intersection of 64<sup>th</sup> Ave & Meeker Street
- Van Doren's Center – building A & B
- Big Box supermarket at the intersection of S. 212<sup>th</sup> St. & Hwy 167
- Fast food restaurant in the corner of Meeker St. and Russell Rd.

<sup>3</sup>Factors that have contributed to the commercial activity in Kent include improvements to the infrastructure with most influence being the upgrading of the road systems in the area. Three government agencies, State, County, & City have combined to build or upgrade the existing roads in Area 65.

Kent Economic Development Strategic Plan 2003-2008 support and pursue freight mobility transportation improvements to State highways that benefit Kent and the:

- ✚ Improvements to the Valley Freeway (HOV improvements between 15th Street SW to 15th Street NW, improvements between 277th Street and SR-516, and a wider bridge structure at SR-18).
- ✚ Completion of SR-509, which will provide a continuous freight corridor between Kent, Sea-Tac International Airport and the Port of Seattle.
- ✚ Completion of the SR-167 connection to I-5 (access to Port of Tacoma)
- ✚ Pursue additional funding for the South 228th Street Extension and grade separations project and begin construction in 2004

The City of Kent West Valley Highway project will be raising a portion of the existing road, between South 277th and South 266th Street, approximately three feet at the lowest point. The new road grade will be constructed at the FEMA flood elevation for the area, and will eliminate the seasonal flooding of the road surface that occurs during major winter storms. West Valley Highway is one of the principal north/south arterial through the City of Kent, and carries between 12,000 and 16,000 vehicles per day. The project will decrease traffic

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<sup>3</sup> South County Journal

congestion and road closures that occur during flooding. Below are some of the projects that are currently underway or expected to proceed soon.

<sup>4</sup>**The City of Covington** is a new city that incorporated in 1997. It is located north and east of the City of Tacoma on SR-18 and SR-516. The City consists of a small commercial core surrounded by low-density residential developments. The Core is bisected by SE 272<sup>nd</sup> Street (SR-516, Kent-Kangley Road). Downtown Tacoma is less than twenty-five minutes away, Kent is about 15 minutes away, and Seattle is about 50 minutes away.

The Downtown sub area encompasses 595.9 acres of varying parcel sizes. There are 90.1 acres of existing commercial, office and industrial land uses within the Downtown sub area. The core of the Downtown sub area generally stretches east to west along SR 516 from the Covington Medical Center under SR 18 to the Covington Library and surrounding commercial, industrial and office uses.

Within that distance of approximately one mile, the south side of SR 516 is home to the following commercial establishment:

- ✚ a large department store,
  - ✚ Covington Square,
  - ✚ Covington shopping centers,
  - ✚ fast food restaurants,
  - ✚ two tire sales and service centers,
  - ✚ two banks, mini-storage,
  - ✚ day care center,
  - ✚ convenience stores,
  - ✚ Service stations,
  - ✚ a church, and
  - ✚ Miscellaneous office uses.
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- ✚ Located on the north side of SR 516:
  - ✚ the new Covington Place,
  - ✚ Covington Library,
  - ✚ Covington City Hall,
  - ✚ day care center,
  - ✚ rental center,
  - ✚ fast food and eat-in restaurants,
  - ✚ service stations/mini-marts,
  - ✚ New Apartments
  - ✚ a church, and medical, veterinary and
  - ✚ Miscellaneous office uses.

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<sup>4</sup> The City of Covington

<sup>5</sup>There are two somewhat isolated existing commercial land uses in the Downtown sub area. There is a nursery on the north side of SE Wax Road and a small complex of commercial and light industrial uses on the south side of Covington Way SE. The Bonneville Power substation encompasses 101.3 acres classified as a public utility use on the south side of Covington Way SE. Also on the south side of Covington Way SE are 48.5 acres of mining and quarry activities.

The only public school in the Downtown Sub area is Covington Elementary, which occupies 16.3 acres on the north side of SE Wax Road.

As the region grew, development concentrated along several arterial roads, and particularly along SR-516, the major east west arterial in the city. <sup>6</sup>Large irregular lots along SR-516 were subdivided from what had been farms and forested land. Regional growth and market forces coupled with the existence of the major arterial (SR-18 and SR-516) produced a pattern of auto-oriented low-density strip commercial development with few public amenities. The minimal street infrastructure, which was required by County standards, provided neither efficient traffic circulation nor sidewalks or other amenities for pedestrians. The resulting development pattern is a series of separate businesses surrounded by surface parking.

<sup>7</sup>Today Covington is a community with many residents who live adjacent to the downtown core area. Because of the minimal street infrastructure, direct walking routes between residential areas and the downtown core area do not exist. For example, while there are two large regional/community shopping centers at the intersection of Wax Road and SR-516, there are no convenient pedestrian connections to them from nearby multi-family and single family neighborhoods. Low-density residential development is occurring adjacent to the core area mostly in small cul-de-sac divisions. The additional needs of these families for recreation, local employment and cultural activities do not exist but could play a role in the opportunity to create a new and special place called Downtown Covington.

Covington has lifted its moratorium on development with respect to plats, short plats and 1-4 residential units. The plan guides the city's growth over the next 20 years, attempting to maintain Covington's "small town" feel. For instance, the plan will turn Wax Road into a pedestrian-friendly Main Street by adopting the so-called "Main Street zoning" for a strip north of 272<sup>nd</sup> St. from Highway 18 to Wax Road. Main Street zoning calls for mixed-use development and hidden parking lots. Currently, single-family homes line Wax Road, and city staff says it could take years for the area to be redeveloped. The current road project for the city is to improve SR 516 (SE 272<sup>nd</sup> Street) between 168<sup>th</sup> Place SE and SE Wax Road, in the

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<sup>5</sup> City of Covington

<sup>6</sup> South County Journal

<sup>7</sup> City of Covington Comprehensive plan

heart of the Covington central business district. The City expects to complete the design and construction of the project within two years.

New major commercial developments in City of Covington either built or under construction include the following:

- ✚ A retail next to Jiffy Lube
- ✚ Covington Place – New 2 story Office building, Line & Major Retail buildings
- ✚ Covington Apartments – 12 buildings 200 units' apartment
- ✚ New Walgreen
- ✚ A retail next to Walgreen
- ✚ Ford car dealership

Wal-mart, one of the two major big box retailers interested to establish their presence at city of Covington finally received a building permit to construct a 134,000 square foot store on a 13 acre site north of Southeast 272<sup>nd</sup> Street, just east of the new post office. Costco wholesale has proposed to build a 135,000 square foot store on a 12.88 acre lot south of Southeast 272<sup>nd</sup> Street (just south of Fred Meyer). Costco is still negotiating the purchase of the land.

<sup>8</sup>The **City of Maple Valley** is one of King County's three newest cities, along with the City of Covington and the City of Kenmore. The city is located east of Kent and Covington, just north of Black Diamond and Lake Sawyer on State Highway 169. <sup>9</sup>The City of Maple Valley incorporated on August 31, 1997. Since that time the residents, City Council and City Hall staff have worked diligently to develop the City's first Comprehensive Plan, adopted November 22, 1999, and craft the Development Regulations, adopted December 13, 1999, to implement the Plan. These two instruments lay the groundwork for meeting the City of Maple Valley vision for the future.

The construction of a new Safeway Plaza Phase II development along with the addition of Safeway Gas Station has been completed. A new Mini Storage complex and an Auto Spa/Retail buildings with approximately 18,000 square feet just opened for business. The following commercial development is either under construction or just opened for business:

- ✚ A new Medical Office building on Maple Valley Black Diamond Rd.
- ✚ Adjacent to the Wilderness shopping center is a new 2 story Office/Retail building that is starting to attract new tenants.
- ✚ A Jiffy lube service station is under construction at Four Corner's Shopping Center
- ✚ A retail building is under construction adjacent to the Jiffy Lube service station
- ✚ A Maple Valley Mini Storage at Maple Valley Black Diamond Rd.

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<sup>8</sup> City of Maple Valley

<sup>9</sup> Municipal Research & Services Center of Washington



- ✚ An office building is under construction adjacent to new Maple Valley mini storage
- ✚ A Business Park building under construction.
- ✚ An addition of RV mini storage to Four Corners Mini Storage.
- ✚ A Washington Mutual Bank to Safeway Plaza at Four Corners

# **<sup>10</sup>CITY OF MAPLE VALLEY SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM**

- ✚ In 2002, actions by the City Council doubled the City's planned investment in new transportation capacity for the next 6 years, a total of \$24 million in improvement projects. Transportation impact fees charged to new development were doubled to help pay for the transportation improvements - \$3559 per net new p.m. peak hour trip.
- ✚ The City Council is currently updating the City's transportation concurrency ordinance to improve the timing between new capacity and new development and to tighten the standards for requiring off-site road improvements.
- ✚ Transportation improvements planned for the current year include the Maple Valley highway/Wax to Witte pedestrian improvements (\$3.4 million) that will include a complete new five lane road, sidewalks and bicycle lanes, improved lighting for safety, and landscaping for improved appearance.
- ✚ The Witte Road SE 240th to SE 244<sup>th</sup> improvements (\$3.2 million) will include a new signal at SE 240th, a three lane roadway, underground power, sidewalks, and landscaping.
- ✚ The SE 263rd Street overcrossing over the Lake Wilderness Trail (\$1.08 million) will add a new road connection to Maple Valley Highway, new pedestrian connection to and across the trail, and sidewalks, lighting, and landscaping.
- ✚ New projects slated for 2004 through 2008 include intersection improvements at Four Corners, an acceleration lane on Maple Valley Highway south of Witte Road, and improvements on Kent Kangley at SE 213th to SE 218th; a signal at Maple Valley Highway and SE 264th; a round-about at SE 248th and Witte Road; and a new signal at Kent Kangley and 228th SE.
- ✚ Potential new projects under consideration are improvements at Witte Road and SE 254th; upgrade to 5 lanes on Maple Valley Highway between Witte Road and SE 240th; and a right turn lane at Kent Kangley and Witte Road.
- ✚ To provide for pedestrians, bicyclists, and equestrians, new street standards will require sidewalks and landscaping as a buffer. A non-motorized plan for trails and bike routes is being developed.

The following road projects are still under construction to reduce congestion along Maple Valley Highway between SE 231<sup>st</sup> Street and Witte Road. This is due to the fact that commercial activity in this area is increasing rapidly. <sup>11</sup>These projects are:

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<sup>10</sup> City of Maple Valley

<sup>11</sup> City of Maple Valley

✚ SE 263rd Street Overcrossing - This new east-west connection will provide direct access to and from Maple Valley Highway using SE 264th/SE 263rd Street over the Lake Wilderness Trail.

✚ Maple Valley Highway -Wax Road to Witte Road. This project is being built in phases.

- The current phase involves widening Maple Valley Highway to 5 lanes (two in each direction and a center left-turn lane) rebuilding the western leg of Witte Road to provide a double left-turn lane, rebuilding the eastern leg of Witte Road, installing a new traffic signal, and improving the drainage system.
- The second phase will include retaining walls on either side of Maple Valley Highway, sidewalks and handrails, landscaping improvements, and new decorative street lights.

✚ Witte Road Phase I - SE 240th to SE 244<sup>th</sup>. This project will provide improvements on Witte Road SE along the frontage of Lake Wilderness Elementary School, consistent with the Witte Road Corridor Study.

<sup>12</sup>**The City of Black Diamond** is a small community in Southeast King County, approximately 30 miles from Seattle. Founded at the turn of the century as a mining company town, the city was formally incorporated in 1959. The city features a pure, stable water supply and is actively seeking new businesses. State Route 169 connects Black Diamond to Renton in the north (18 miles) and Enumclaw in the south (8 miles). Major businesses in the city include the Anesthesia Company, Pacific Coal Company, and Palmer Coking Coal Company.

Since the incorporation of Black Diamond, the city zoning is in agreement with the King County comprehensive plan zoning. City of Black Diamond is hoping to implement its own zoning under their new revised comprehensive plan by the end of summer 2004.

<b><i>POPULATION SIZE CHART</i></b>							
	<b><u>TOTAL</u></b>	<b><u>65-10</u></b>	<b><u>65-20</u></b>	<b><u>65-30</u></b>	<b><u>65-40</u></b>	<b><u>65-50</u></b>	<b><u>65-60</u></b>
Vacant Land	698	114	104	181	57	149	93
*Improved	1,159	214	131	262	165	249	138
Specialty parcel	682	122	117	71	206	116	50
<b>Total Parcel</b>	<b>2,539</b>	<b>450</b>	<b>352</b>	<b>514</b>	<b>428</b>	<b>514</b>	<b>281</b>

<sup>12</sup> Municipal Research & Services Center of Washington

\*Excluding Specialty Improved Parcels

### PHYSICAL INSPECTION AREA:

The Physical Inspection area for Area 65 is neighborhood 30. The neighborhood boundaries fall within the City of Kent known as the downtown commercial core. This neighborhood is consist of section 24, township 22, range 4. A total of 444 parcels (Vacant and Improve but excluding Improved Specialty parcels) were inspected for this year. The boundaries of the general neighborhood may be delineated as follows:

Northerly: James Street.  
Southerly: Waterman Street and Morton Street  
Easterly: North and South Central Avenue  
Westerly: Washington Avenue

### PRELIMINARY RATIO ANALYSIS:

A Preliminary Ratio Study was done in January of 2004. The study included sales of improved parcels showing a COV of 19.95% and PRD of 98, indicating the need for revaluation.

Another Ratio study was done after application of the 2004 recommended values. The results are included in the validation section of this report. Summary table of the statistical ratio is as follows:

IMPROVED STATISTICAL RATIO CHART				
REVALUE	WEIGHTED MEAN	COD	COV	PRD
2003	88.5%	14.84%	19.95%	.98
2004	98.0.0%	6.46%	9.46%	1.00

## **SCOPE OF DATA:**

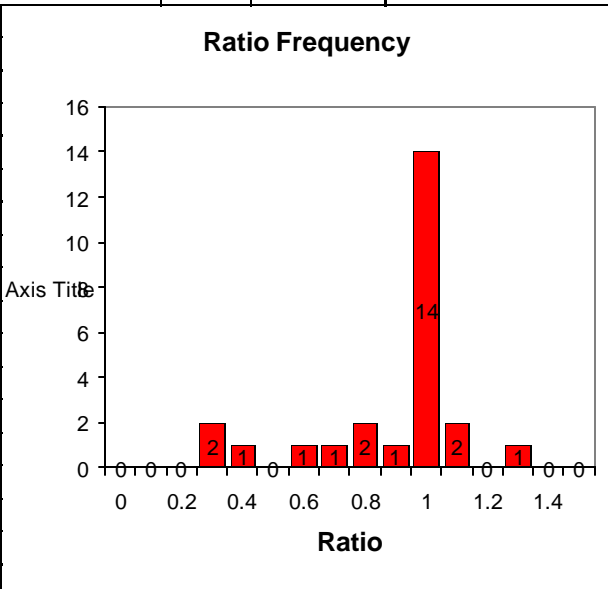
### **LAND VALUE DATA:**

Vacant commercial sales from 1/1/2001 to 12/31/2003 were given primary consideration for valuing land as vacant to be developed to its highest and best use. Sales used were all verified as good or fair market and coded as 02 in the Assessor's records. Multi-parcel sales were also considered after combining the assessed values of all parcels involved in the sale. Greatest weight was placed on those sales that occurred nearest the 1/1/2004 lien date. See complete land report for this area.

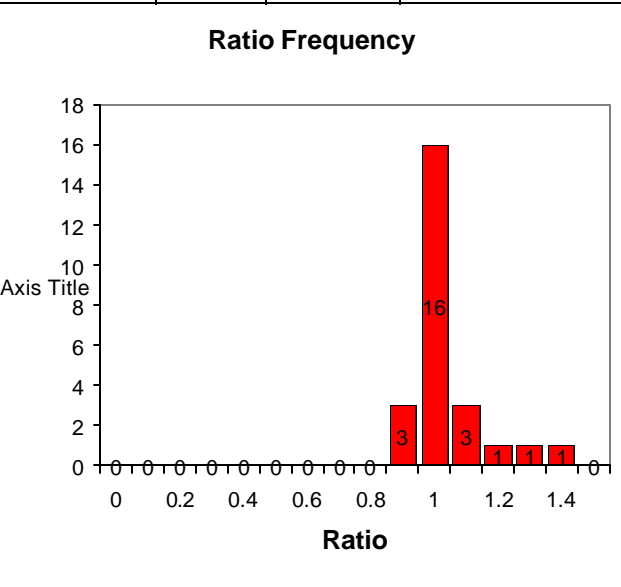
**Land Value Table**

<b>Property</b>	<b>Zone</b>	<b>Neighborhoods</b>					
<b>Types</b>		<b>65-10</b>	<b>65-20</b>	<b>65-30</b>	<b>65-40</b>	<b>65-50</b>	<b>65-60</b>
		<b>North Kent Valley</b>	<b>South and West Kent Valley</b>	<b>Downtown Kent</b>	<b>East Hill Kent</b>	<b>Southeast Kent. Maple Valley, Covington. Unincorporated King County</b>	<b>Black Diamond, and Unincorporated King County</b>
<b>Industrial Land</b>	<b>Kent</b> - M1, M1-C, M2, M3, MA, CM1, CM2	\$5.00 TO \$8.00 / SF	\$3.50 TO \$6.00 / SF	\$5.00 TO \$6.00 / SF	N/A	\$0.69 TO \$8.00 / SF	\$0.16 to \$1.50 / SF
	<b>Maple Valley</b> - MU, BP, P						
	<b>Black Diamond</b> - IND, LINDCML						
	<b>Covington</b> - I (Industrial)						
	<b>King County</b> – I, IP, IS, M						
<b>Commercial Land</b>	<b>Kent</b> - NCC, DC, DCE, CC, CC-MU, GWC, GC, GC-MU, O, O-MU	\$8.00 TO \$15.00 / SF	\$7.00 TO \$10.00 / SF	\$8.00 TO \$10.00 / SF	\$8.00 TO \$20.00 / SF	\$5.00 TO \$20.00 / SF	\$2.00 TO \$7.00 / SF
	<b>Maple Valley</b> - O, CB, NB, P						
	<b>Black Diamond</b> - CMTY CML						
	<b>Covington</b> - CD, CN, CR						
	<b>King County</b> – CB, NB, OP, OS						
<b>Multi-Family Land</b>	<b>Kent</b> - MRD, MRT, MRG, MRM, MRH, MHP	\$4.00 TO \$6.00 / SF	\$4.00 to \$6.00 / SF	\$4.00 to \$6.00 / SF	\$4.00 TO \$6.00 / SF	\$3.00 TO \$5.00 / SF	\$1.00 TO \$4.00 / SF
	<b>Maple Valley</b> - R-12, R-18, R-24						
	<b>Black Diamond</b> - RM-2400						
	<b>Covington</b> - none						
	<b>King County</b> – R-12, R-18, R-24, R-48						
<b>Residential Land</b>	<b>Kent</b> - SR2, SR3, SR4.5, SR6, SR8	\$5.00 / SF	\$2.00 to \$5.00 / SF	\$1.50 / SF or site value	\$2.00 TO \$11.00 / SF	\$0.28 TO \$4.00 /SF	\$0.23 TO \$4.00 / SF
	<b>Maple Valley</b> - R1, R4, R6						
	<b>Black Diamond</b> - R35,000, R9600, R7200						
	<b>Covington</b> - R4, R6, R8						
	<b>King County</b> – R1, R-6, R-8, RA-10, RA-2.5, RA-5,						
<b>Agricultural, Mining, Forest</b>	<b>Kent</b> - A1, AG, MA, SR1	\$1.00 / SF	\$0.46 to \$1.75 / SF	\$0.50 to \$3.00 / SF	\$0.23 to \$0.69 / SF	\$0.28 to \$1.00 / SF	\$0.07 to \$0.69 / SF
	<b>Maple Valley</b> - P						
	<b>Black Diamond</b> - Mineral, Forest						
	<b>Covington</b> - M (Mineral)						
	<b>King County</b> - A, F, M,						

**Area 065 Kent, Covington, Maple Valley, Black Diamond, Unincorporated SE King County  
2004 Assessment Year using 2003 values**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:				
South Crew	1/1/2003	1/14/2004	1/1/01 - 08/21/03				
Area	Appr ID:	Prop Type:	Trend used?: Y / N				
65	MRAM	Land	N				
SAMPLE STATISTICS							
Sample size (n)	25	<div>Ratio Frequency</div> 					
Mean Assessed Value	625,800						
Mean Sales Price	808,200						
Standard Deviation AV	928,925						
Standard Deviation SP	1,084,614						
ASSESSMENT LEVEL							
Arithmetic mean ratio	0.854	<div>These figures reflect Land Assessment ratios in Area 65 before the completion of 2004 Assessments roll. 2003 Land values compared with current market values.</div>					
Median Ratio	0.971						
Weighted Mean Ratio	0.774						
UNIFORMITY							
Lowest ratio	0.2459						
Highest ratio:	1.2067						
Coefficient of Dispersion	16.51%						
Standard Deviation	0.2542						
Coefficient of Variation	29.75%						
Price-related Differential	1.10						
RELIABILITY							
95% Confidence: Median							
Lower limit	0.854						
Upper limit	0.994						
95% Confidence: Mean							
Lower limit	0.755						
Upper limit	0.954						
SAMPLE SIZE EVALUATION							
N (population size)	2525						
B (acceptable error - in decimal)	0.05						
S (estimated from this sample)	0.2542						
Recommended minimum:	99						
Actual sample size:	25						
Conclusion:	Uh-oh						
NORMALITY							
Binomial Test							
# ratios below mean:	8						
# ratios above mean:	17						
z:	1.6						
Conclusion:	Normal*						
*i.e., no evidence of non-normality							

**Area 065 Kent, Covington, Maple Valley, Black Diamond, Unincorporated SE King County  
2004 Assessment Year using 2004 values**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:				
South Crew	1/1/2004	1/14/2004	1/1/01 - 08/21/03				
Area	Appr ID:	Prop Type:	Trend used?: Y / N				
65	MRAM	Land	N				
SAMPLE STATISTICS							
Sample size (n)	25	<div>Ratio Frequency</div> 					
Mean Assessed Value	786,300						
Mean Sales Price	808,200						
Standard Deviation AV	1,049,264						
Standard Deviation SP	1,084,614						
ASSESSMENT LEVEL							
Arithmetic mean ratio	1.001	<div>These figures reflect Land Assessment ratios in Area 65 after the completion of the 2004 Land Valuation. 2004 Land values are compared with current market values.</div>					
Median Ratio	0.987						
Weighted Mean Ratio	0.973						
UNIFORMITY							
Lowest ratio	0.8252						
Highest ratio:	1.4000						
Coefficient of Dispersion	6.04%						
Standard Deviation	0.1119						
Coefficient of Variation	11.18%						
Price-related Differential	1.03						
RELIABILITY							
95% Confidence: Median							
Lower limit	0.970						
Upper limit	1.000						
95% Confidence: Mean							
Lower limit	0.957						
Upper limit	1.045						
SAMPLE SIZE EVALUATION							
N (population size)	2525						
B (acceptable error - in decimal)	0.05						
S (estimated from this sample)	0.1119						
Recommended minimum:	20						
Actual sample size:	25						
Conclusion:	OK						
NORMALITY							
Binomial Test							
# ratios below mean:	19						
# ratios above mean:	6						
z:	2.4						
Conclusion:	Non-normal						
*i.e., no evidence of non-normality							

### Vacant Sales for Area 065 with Sales Used

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
065	010	775780	0250	94,537	1801751	\$465,000	01/30/01	\$4.92	VACANT	CM	3	
065	010	072205	9096	28,440	1848385	\$425,000	10/12/01	\$14.94	VACANT LAND	GWC	1	
065	010	383000	0005	85,008	1799332	\$555,000	01/31/01	\$6.53	VACANT	GWC	1	Larger lot size for this type of zoning
065	010	383000	0023	26,595	1955160	\$290,000	04/23/03	\$10.90	VAC LD	GWC	1	
065	010	132204	9183	261,800	1824433	\$1,500,000	06/14/01	\$5.73	NATIONAL CAN	M3	1	
065	020	543620	0580	48,833	1908806	\$484,920	09/10/02	\$9.93	VACANT	GC	2	
065	020	142204	9004	344,694	1900888	\$2,000,000	07/31/02	\$5.80	VACANT	M1	1	
065	030	295190	0005	20,980	1900347	\$190,000	07/26/02	\$9.06	VACANT LAND	DCE	1	
065	030	917960	0170	5,400	1908196	\$50,000	08/29/02	\$9.26	VAC LAND	DCE	1	
065	040	736660	0005	13,121	1952997	\$300,000	04/15/03	\$22.86	VACANT COMMERCIAL	CC	1	
065	040	783080	0074	50,006	1983977	\$255,000	08/21/03	\$5.10	VACANT PARCEL	CC	1	Proposed down zoned to MRT.
065	040	783080	0110	27,597	1886773	\$150,000	05/16/02	\$5.44	VACANT	CC-MU	1	Less desirable location
065	040	172205	9286	108,626	1821415	\$360,000	05/31/01	\$3.31	VACANT	MRT16	3	
065	040	292205	9094	74,052	1972163	\$260,000	07/08/03	\$3.51	VACANT LAND	O	1	With SAO on the property
065	050	252205	9268	696,790	1828776	\$4,800,000	07/10/01	\$6.89	VACANT	CD	3	With Power line
065	050	412700	0879	387,505	1896706	\$1,550,000	07/02/02	\$4.00	VACANT	BP	2	
065	050	332206	9043	43,130	1979271	\$300,000	08/07/03	\$6.96	SHOP. CTR. SITE	B-C-P	1	
065	050	342206	9110	197,097	1916499	\$492,743	10/17/02	\$2.50	PORTION OF SE QTR SE QTR SE QTR	BP	3	Less desirable location
065	050	162206	9096	52,131	1822265	\$781,965	06/06/01	\$15.00	VACANT	CB	2	
065	050	162206	9189	26,930	1900155	\$300,000	07/25/02	\$11.14	VACANT	CB	1	
065	050	222205	9046	35,661	1885672	\$70,000	05/10/02	\$1.96	VACANT	CC	1	Some Wetland



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Remarks
065	050	222205	9046	35,661	1956027	\$100,000	04/28/03	\$2.80	VACANT	CC	1	Some Wetland
065	050	352205	9074	110,414	1958579	\$913,500	04/30/03	\$8.27	VACANT	IDUSTRI	3	
065	050	212205	9051	61,420	1928996	\$574,931	12/18/02	\$9.36		NCC	1	
065	050	212206	9152	435,890	1945640	\$3,036,000	03/13/03	\$6.97	VACANT	RD3600P	2	

## **IMPROVED PARCEL TOTAL VALUE DATA:**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling the purchaser or seller, mass mailing of Sales verification questionnaires, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides in the Assessor's procedure manual located in the Public Information area of the King County Administration Building.

## **LAND VALUATION**

### **Land Summary:**

Twenty six arms' length vacant land sales occurred from 1/1/2001 to 12/31/2003 in Area 65. But only twenty five sales were given primary consideration for valuing land as of 1/1/2004. One arms' length sale resulted to a segregation after sale. Several of these sales were multi-parcel transactions.

All sales were analyzed based on zoning and location. Each neighborhood was analyzed based on sales, and values were equalized in accordance with size, location, and zoning. Assessed values were not changed on properties with zoning codes having no sale representation.

The total recommended land value for the 2004 Assessment year (taxes payable in 2004) is **\$1,323,805,700**. The total 2003 Assessment year land value for this area was **\$1,245,893,150**. The percent change increase from 2003 assessed value to 2004 recommended assessed value is 6.25%. This increase was due primarily to market value increases of commercial zoning in neighborhoods 30, 40, & 50 and Industrial properties in neighborhoods 10, 20, & 50. The values of the remaining parcels in neighborhoods 10, 20, 30, 40, 50, & 60 were equalized. The new total parcels for area 65 is 2,525. Approximately 1.4% of the total parcels in this area have experienced a reduction in land value while 19.0% of the total parcels in this area have experienced an increase in land value.

### **Preliminary Land Ratio Analysis:**

A Preliminary Land Ratio Study was completed just prior to the application of the 2004 recommended land values. This study benchmarks the current assessment level using 2003 posted land values. The ratio study was also repeated after application of the 2004 recommended land values. The results are included in the validation section of this report.

Those sales with a ratio of 110% and higher are the oldest sales in the sample with the exception of multi parcel sale 000660-0116 & 000660-0117, which is a wetland sale.

	<b><i>2003 Ratio</i></b>	<b><i>2004 Ratio</i></b>
<i>Assessment Level</i>	<i>77.4%</i>	<i>97.3%</i>
<i>Coefficient of Dispersion</i>	<i>16.51%</i>	<i>6.04%</i>
<i>Coefficient of Variation</i>	<i>29.75%</i>	<i>11.18%</i>
<i>Standard Deviation</i>	<i>25.42%</i>	<i>11.19%</i>
<i>Price Related Differential</i>	<i>1.10</i>	<i>1.03</i>

## **Sales Analysis by Neighborhood:**

### **Area 65-10 North Kent Industrial Valley area:**

5 sales from this neighborhood were analyzed for the 2004 revalue. Each zone code was analyzed separately. Sales of parcels zoned Industrial (M1), Limited Industrial (M2), General Industrial (M3), and Commercial Manufacturing (CM) ranged from \$4.92 to \$5.73 per square foot with no significant value change indicated. Area 65-10 is bounded to the north by area 70-25. Area 70-25 has a significant number of land sales of M zoned parcels. These sales were also analyzed together with area 65-10 sales to arrive the assessed value of Industrial zoned parcels in this neighborhood. The average assessed value for industrial zoned properties is \$5.50 to \$6.00 per square foot. Gateway Commercial (GWC) and General Commercial (GC) zoned sales shows a market value ranging from \$6.53 to \$14.94 per square foot with the lower end of the value range representing properties with land problems and larger lot size for this type of zoning in this location. Average assessed value for this zoning is \$9.00 per square foot. There have been no sales of multi-family zoned parcels in this neighborhood for the last three years. Multi-family zoning in this neighborhood was analyzed using the sales in neighborhood 20, 30, & 40. Average assessed value for Multi-family zoning is \$5.00 per square foot.

### **Area 65-20 South Kent Valley area:**

Two sales from this neighborhood were analyzed for the 2004 revalue. One sale is an industrial zoned parcel and the other is a general commercial zoned parcel. The Industrial (M1), Limited Industrial (M2), General Industrial (M3), and Commercial Manufacturing (CM) zoned properties were valued in relationship with neighborhood 10 industrial sales which ranged from \$5.22 to \$8.44 per square foot with no significant value change indicated. Industrial zoned properties in this neighborhood were valued consistently with those similarly zoned parcels in neighborhood 10 (M1, M2, & M3). Sale 6 is a General Commercial (GC) zoned parcel,

which sold for \$9.93 per square foot. The recommended assessed value for GC zoned parcels is \$10.00 per square foot on average. MRH, MRM, MRG, and MRD zoned parcels are valued consistently with neighborhood 10. Agricultural (AG) and Residential Agricultural (SR1) zoned parcels in this neighborhood are equalized to an average assessed value of \$20,000 to \$24,000 per acre based on prior 2001 years sales of this type of zoning. Residential (SR) zoned parcels are assessed at an average of \$4.00 per square foot

#### **Area 65-30 Downtown Kent area:**

Two sales from this neighborhood were analyzed for the 2004 revalue. Both of these sales are Downtown Commercial Enterprise (DCE) zoned parcels and indicate a price range from \$9.06 to \$9.26 per square foot. The recommended average assessed value for DCE and DC zoned parcels are \$9.00 per square foot with the exception of smaller parcels which are assessed at site value. General Commercial (GC) and Multi-family zoned parcels were valued consistently with those similarly zoned parcels in neighborhood 10 & 20. Manufacturing (CM) and Downtown Limited Manufacturing (DLM) zoned parcels are valued at an average of \$5.00 per square foot.

#### **Area 65-40 Kent East Hill area:**

Five sales were available for analysis in this neighborhood. Office zoned properties show an average market value of \$6.50 per square foot. Sale 10 is a sale of CC (Community Commercial) zoned parcel located at the corner of SE 240<sup>th</sup> St. and 104<sup>th</sup> Ave. SE. This sale represents the market value of corner lots on high traffic areas. Sale 11 is currently zoned CC but is in the process of being zoned to MRT (multiple residence townhouse) and the low sale price indicates the market value for multiple residence zoning in this neighborhood. Sale 12 is zoned CC-MU (Community Commercial-Mix Use) and sold for less than the typical market value for CC-MU because of the inferior location of the property. There are many Community Commercial (CC) zoned parcels in this neighborhood. They are valued at a range of \$9.00 to \$20.00 per square foot. The Community Business (CB) zone is also prominent in this area. These parcels are valued at an average of \$8.00 per square foot. Sales 13 & 14 are both good sales but have a wetland and a creek on the property and reflect a lower sale price. Multi family zoning such as R6 to R48, MRM, MRT, MRT16 and SR were valued at an average of \$4.00 to \$6.00 per square foot depending on the location and size of the property.

#### **Area 65-50 Southeast Kent, North Auburn, Covington, & Maple Valley area:**

Eleven sales from this neighborhood were considered in the 2004 revalue. Four of these sales are zoned for commercial services (Office and Retail). The price range for this type of property is from \$4.00 to \$15.00 per square foot depending on the location and size of the property. Sales 21 & 22 are both good sales but are impacted by wetlands on the property. Sales in this neighborhood are similar to sales in 65-40. The zoning in the vast majority of their

Commercial Districts is Community Business (CD, CB, BC, & CC are all the same), Neighborhood Business (NB, CN), and Regional Business (RB, CR) zones. The market value for these zones ranges from \$6.00 to \$25.00 per square foot depending on the location, zoning, and size. The recommended assessed value for these types of zone codes is from \$6.00 to \$20.00 per square foot depending on the location, size, and zoning. Industrial and Manufacturing zoning is valued at \$0.69 to \$5.00 per square foot depending on the location and size. The same analysis used for QM zoning in neighborhood 60 was used here. The recommended assessed value for QM zoning is an average of \$7,000 to \$12,000 per acre depending on the size, location, and the amount and type of Sensitive Area on the property. Multi family zoning such as R6 to R48 were valued at an average of \$2.00 to \$4.00 per square foot depending on the location and size of the parcel. There is one sale (sale 25) of multi family zoning in this neighborhood and the sale price is at the very high end of the range. This sale is a 10 acre parcel zoned high density multi family residence but the developer is planning to subdivide the parcel and build a single family residence. There are Agricultural zoned parcels in this neighborhood that are valued at \$12,000 to \$15,000 per acre. Covington is the newest city and has recently added DC (downtown commercial) a new zoning on their first comprehensive zoning plan.

#### **Area 65-60 Black Diamond, Ravensdale, Palmer/Kanasket, Cumberland & Southeast Unincorporated King County:**

There are no sales available for analysis in this neighborhood for the 2004 revalue. Area 65-60 has a large geographic expanse and many varying zone codes throughout. Ravensdale, Palmer/Kanasket, and Cumberland are still unincorporated and are part of King County zoning. Black Diamond has its own zoning plan. Commercial Business (CB), Neighborhood Business (NB), and Community Commercial (CC) are the three major commercial zonings in this area. The recommended value for these types of zone codes is from \$2.00 to \$6.00 per square foot depending on the location and size. This neighborhood has some Quarry Mining (QM), Mining (M), and Forest (F) zoning. The recommended assessed value for QM, M, and F zoning is an average of \$3,000 to \$12,000 per acre (or \$0.07 to \$0.28/sf) depending on the size, location, and the amount of sensitive area on the property. Forest/Timber sales were used for analyzing some of the Mining (Mineral) zoned parcels because of the unavailability of M zoned sales. The average sales price for Timber/Forest parcels in King County is \$3,000 per acre. Residential zoned parcels that are being assessed by the Commercial Business Section would include those properties improved by a Cemetery, Golf Courses, Churches, Schools, Government buildings, Parks, and other exempt properties.

#### **Conclusion:**

The high costs of housing in the Seattle metropolitan area have lured many people to move to southeast King county. The increasing population in the East Hill of Kent, Covington, and Maple Valley thus shows an increase in demand for more community commercial (retail and

office) in this area. The available land sales in Area 65 support an increase in assessed value for specific zoning types and locations. Many of the recommended assessed land value changes reflect equalization of properties of the same zoning in the neighborhood, with the exception of parcels that reflect increases in value due to market inflation. Most of the market inflation occurs in Commercial Service zoning. Wetland properties subject to the Sensitive Areas Ordinance (SAO), and agricultural properties did not change in value due to a lack of new market evidence. Assessed values for properties that show the square footage of the wetland/Sensitive Area issues on the Assessor's map were calculated according to the corresponding wetland/Sensitive Area per square foot at \$0.16 per square foot or \$7,000 per acre and adding the corresponding usable land value. Area 65 has many split zoned properties. Values for these parcels were based on the total of each value allocation per zoning for each parcel. Overall, Area 65 experienced increases in assessed value on those properties in the Kent valley that are zoned commercial (office and retail) and industrial. Simultaneously, commercial (office and retail) in Covington and Maple Valley have also experienced an increase in assessed value due to high demand of this type of property.

## **Improved Parcel Total Values:**

### **Sales comparison approach model description**

The model for sales comparison was based on four data sources from the Assessor's records, occupancy codes, age, condition, and size. A search was made on data that most closely fit a subject property within each geographic area.

### **Sales comparison calibration**

There were 80 total improved sales in Area 65 from 1/1/2001 to 12/31/2003 considered to be good, fair market transactions reflective of the market conditions. But seven sales were not used in this analysis for statistical ratio purpose. Three sales were the result of a multi parcel sale that sold together with specialty parcels. A segregation and renovation was done after the sale for the other four sales. These sales were arranged into market segments based on present use. The search for comparable sales was within each geographic neighborhood and expanded to include the surrounding competing neighborhoods within the geographic area.

Based on the analysis of the sales, a price per square foot of net rentable area was calculated on each sale. This price per square foot established the upper and lower limit of the market for each type of property within the subject area. Adjustment factors for location, quality, and effective age were given consideration.

### **Cost approach model description**

The Marshall & Swift Commercial Estimator are automatically calculated on all properties. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. The cost approach was used to estimate the market value of special-purpose properties, and other properties that are not frequently exchanged in the market.

### **Cost calibration**

Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the parcel and the computerized valuation model supplied by Marshall & Swift.

### **Income capitalization approach model description**

Income tables were developed for Area 65 for all neighborhoods using direct income capitalization. The Income Approach was the predominant valuation method used in the valuation of Area 65.

### **Income approach calibration**

The tables were calibrated after setting economic rents, vacancy, expenses and direct capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records. This economic information was collected predominately in the market place. Additional information sources utilized include but are not limited to: sales reporting services such as "Comps", data collected in the field, data collected through sales verification questionnaires, fee appraisals, journals and publications.

The tables used are included in the addenda of this report. The following is a brief summary of the stratification of these parameters for the major property types:

Property Type	Rent Range	Vacancy Rate	Expense Rate	Overall Cap Rate
Small Office Building	\$9.00 to \$19.00 NNN	5%	5%	8.5% to 10%
Large Office Building	\$10.00to\$19.50 Gross	10% to 20%	35% to 40%	9% to 10%
Retail	\$9.50 to \$24.00 NNN	4% to 10%	10%	8.5% to 10%
Service Garage	\$5.00 to \$10.00 NNN	5% to 10%	7.5% to 10%	8.5% to 10%
Warehouse/ Industrial	\$2.00 to \$6.00 NNN	5% to 10%	7.5% to 10%	8.0% to 10%
Medical/Dental	\$12.00 to 24.00 Gross	10%	35% to 45%	8.5% to 10%
Small Apartment	\$5.00 to \$11.00 NNN	5% to 10%	10%	9% to 10%
Large Apartment	\$11.50to\$15.00 Gross	0%	30%	8% to 9.5%
Restaurant/ Tavern/Fast Food	\$12.00to\$24.00 NNN	5% to 10%	10%	9% to 10%

***Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.***

The area appraisers individually reviewed all parcels for correctness of the table application before final value selection. The appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but falls within an acceptable range of variation from the established guideline. Final value selects were reviewed by the Senior Appraisers before posting.

## **Model Validation**

### **Total Value Conclusions, Recommendations and Validation:**



Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area. Area 65 has a lot of excess land because of the area's location. Building to Land ratio was properly determined to calculate the excess land for individual property type.

All of the statistical measures in the valuation are in compliance and within the guidelines of International Association of Assessing Officers (IAAO) standards. These are presented both in the Executive Summary and in the 2003 and 2004 Ratio Analysis charts included in this report.

The total assessed value for the 2003 assessment year for area 65 was **\$1,770,026,590**. The total recommended assessed value for the 2004-assessment year (taxes payable in 2005) is **\$1,904,722,840**. Approximately, 60% of the total improved parcels in this area have experienced an increase in Assessed value. Another 7% have experienced a decrease in assessed value. Finally, 33% shows no change in assessed value.

Application of these recommended values for the 2004 assessment year (taxes payable in 2005) results in an overall change from the 2003 assessment of 7.63%. This increase is due partly to upward market changes over time and the equalization of property Assessment values in each neighborhood.

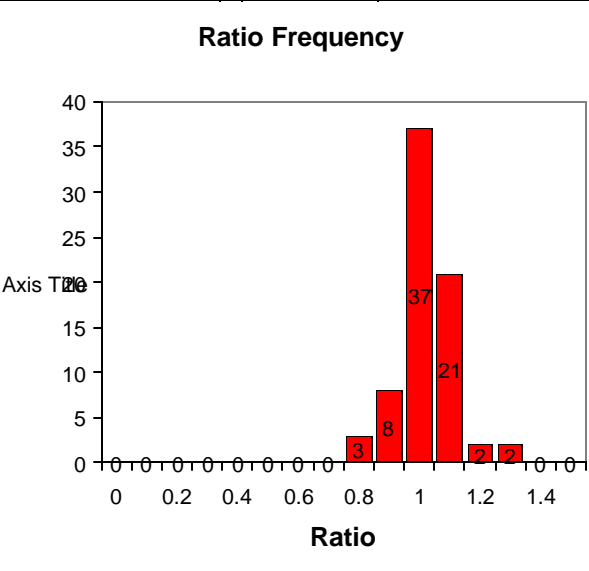
TOTAL ASSESSED VALUE CHART				
<u>REVALUE</u>	<u>2003</u>	<u>2004</u>	<u>CHANGE</u>	<u>% CHANGE</u>
*Land	\$ 729,146,450	\$ 783,339,400	\$ 54,192,950	7.43%
*Total Value	\$1,770,050,590	\$1,905,088,540	\$135,037,950	7.63%
* Excluding Specialty Parcels' Total Assessed Value				

**Note:** More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

**Area 065 – Kent, Covington, Maple Valley, Black Diamond, SE King County**  
**2004 Assessment Year using 2003 values**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																										
South Crew	1/1/2003	4/15/2004	1/1/01 - 12/16/03																										
Area	Appr ID:	Prop Type:	Trend used?: Y / N																										
65	MRAM	Improvement	N																										
SAMPLE STATISTICS																													
Sample size (n)	73	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.4-0.5</td><td>1</td></tr><tr><td>0.5-0.6</td><td>2</td></tr><tr><td>0.6-0.7</td><td>4</td></tr><tr><td>0.7-0.8</td><td>6</td></tr><tr><td>0.8-0.9</td><td>9</td></tr><tr><td>0.9-1.0</td><td>16</td></tr><tr><td>1.0-1.1</td><td>20</td></tr><tr><td>1.1-1.2</td><td>12</td></tr><tr><td>1.2-1.3</td><td>3</td></tr><tr><td>1.3-1.4</td><td>0</td></tr><tr><td>1.4-1.5</td><td>0</td></tr><tr><td>1.5-1.6</td><td>0</td></tr></tbody></table>		Ratio	Frequency	0.4-0.5	1	0.5-0.6	2	0.6-0.7	4	0.7-0.8	6	0.8-0.9	9	0.9-1.0	16	1.0-1.1	20	1.1-1.2	12	1.2-1.3	3	1.3-1.4	0	1.4-1.5	0	1.5-1.6	0
Ratio	Frequency																												
0.4-0.5	1																												
0.5-0.6	2																												
0.6-0.7	4																												
0.7-0.8	6																												
0.8-0.9	9																												
0.9-1.0	16																												
1.0-1.1	20																												
1.1-1.2	12																												
1.2-1.3	3																												
1.3-1.4	0																												
1.4-1.5	0																												
1.5-1.6	0																												
Mean Assessed Value	1,743,600																												
Mean Sales Price	1,969,500																												
Standard Deviation AV	2,944,857																												
Standard Deviation SP	3,079,720																												
ASSESSMENT LEVEL																													
Arithmetic mean ratio	0.866																												
Median Ratio	0.895																												
Weighted Mean Ratio	0.885																												
UNIFORMITY																													
Lowest ratio	0.3985																												
Highest ratio:	1.1890																												
Coefficient of Dispersion	14.84%																												
Standard Deviation	0.1727																												
Coefficient of Variation	19.95%																												
Price-related Differential	0.98																												
RELIABILITY																													
95% Confidence: Median																													
Lower limit	0.858																												
Upper limit	0.954																												
95% Confidence: Mean																													
Lower limit	0.826																												
Upper limit	0.905																												
SAMPLE SIZE EVALUATION																													
N (population size)	1060																												
B (acceptable error - in decimal)	0.05																												
S (estimated from this sample)	0.1727																												
Recommended minimum:	46																												
Actual sample size:	73																												
Conclusion:	OK																												
NORMALITY																													
Binomial Test																													
# ratios below mean:	31																												
# ratios above mean:	42																												
z:	1.170411472																												
Conclusion:	Normal*																												
*i.e., no evidence of non-normality																													

**Area 065 – Kent, Covington, Maple Valley, Black Diamond, SE King County  
2004 Assessment Year using 2004 values**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:				
South Crew	1/1/2004	4/15/2004	1/1/01 - 12/16/03				
Area	Appr ID:	Prop Type:	Trend used?: Y / N				
65	MRAM	Improvement	N				
SAMPLE STATISTICS							
Sample size (n)	73	<div>Ratio Frequency</div> 					
Mean Assessed Value	1,930,400						
Mean Sales Price	1,969,500						
Standard Deviation AV	3,045,886						
Standard Deviation SP	3,079,720						
ASSESSMENT LEVEL							
Arithmetic mean ratio	0.976	<div>These figures reflect Improvement Assessment ratios in Area 65 following completion of 2004 Revalue</div>					
Median Ratio	0.975						
Weighted Mean Ratio	0.980						
UNIFORMITY							
Lowest ratio	0.7192						
Highest ratio:	1.2980						
Coefficient of Dispersion	6.46%						
Standard Deviation	0.0924						
Coefficient of Variation	9.46%						
Price-related Differential	1.00						
RELIABILITY							
95% Confidence: Median							
Lower limit	0.966						
Upper limit	0.996						
95% Confidence: Mean							
Lower limit	0.955						
Upper limit	0.998						
SAMPLE SIZE EVALUATION							
N (population size)	1060						
B (acceptable error - in decimal)	0.05						
S (estimated from this sample)	0.0924						
Recommended minimum:	14						
Actual sample size:	73						
Conclusion:	OK						
NORMALITY							
Binomial Test							
# ratios below mean:	37						
# ratios above mean:	36						
z:	0						
Conclusion:	Normal*						
*i.e., no evidence of non-normality							

### Improvement Sales for Area 065 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
065	010	182205	9291	7,350	1901748	\$650,000	07/31/02	\$88.44	WAREHOUSE	CM	1	2
065	010	182205	9313	400	1884801	\$250,000	05/09/02	\$625.00	CEDAR WEST	CM	2	2
065	010	775780	0201	3,154	1886197	\$325,000	05/06/02	\$103.04	2 SFR AND SHED	CM	1	2
065	010	775880	0021	5,307	1821747	\$470,000	06/04/01	\$88.56	PLUMBING SUPPLY	CM	1	2
065	010	132204	9034	2,948	1951827	\$437,500	04/11/03	\$148.41	MULTI-TENANT OFFICE	GC	1	2
065	010	132204	9099	4,750	1866830	\$2,350,000	01/29/02	\$494.74	PETERSON OFFICE BLDG	GC	3	2
065	010	132204	9101	6,022	1973116	\$660,000	07/15/03	\$109.60	ABC RENTALS	GC	1	2
065	010	132204	9145	108,900	1809699	\$8,000,000	04/02/01	\$73.46	KENT BUSINESS CAMPUS	GC	1	2
065	010	775780	0100	15,208	1867742	\$1,325,000	02/07/02	\$87.13	CORVI BUILDING	GWC	2	2
065	010	122204	9037	67,120	1825377	\$4,500,000	06/22/01	\$67.04	FLOW INDUSTRIES	M1	1	2
065	010	543620	0042	97,373	2005843	\$5,712,500	12/02/03	\$58.67		M1	1	2
065	010	883480	0010	50,450	1844291	\$2,270,000	09/27/01	\$45.00	KIRK PAPER	M1	1	2
065	010	883480	0020	64,000	1993190	\$2,900,000	10/03/03	\$45.31	WAREHOUSE	M1	1	2
065	010	132204	9206	138,195	1830295	\$7,550,000	07/03/01	\$54.63	KENT CORP PARK - WAREHOUSES	M2	2	2
065	010	775780	0092	3,000	1962372	\$575,000	05/27/03	\$191.67	BUS CHARTER CO	M2	1	2
065	010	122204	9098	5,160	2009042	\$1,450,000	12/16/03	\$281.01	SEATTLE MARINE	M2	1	2
065	010	122204	9050	4,316	1872839	\$825,000	02/28/02	\$191.15	OFFICE BLDG & MANUFACTURING WHSE	M3	1	2
065	010	383040	0020	20,903	1821787	\$1,297,400	06/01/01	\$62.07		M3	1	2
065	010	383090	0220	25,764	1818172	\$1,575,000	04/26/01	\$61.13	MAC NAB TOOL & DIE	M3	1	2
065	010	383090	0360	35,525	1925625	\$1,600,000	11/27/02	\$45.04	HERMANSON CORP	M3	2	2
065	010	775980	0040	23,952	1978110	\$2,700,000	07/24/03	\$112.73		M3	1	2
065	020	346280	0227	7,000	1847188	\$367,500	10/12/01	\$52.50	CONSOLIDATED ELECTRICAL DISTR	CM	1	2
065	020	232204	9001	11,991	1827855	\$1,175,000	07/02/01	\$97.99	LAKESIDE CENTER	GC	1	2
065	020	232204	9059	1,400	1801670	\$255,000	02/15/01	\$182.14	MOUNTAIN HIGH BURGER CO	GC	1	2
065	020	543620	0580	8,900	1963592	\$2,700,000	05/30/03	\$303.37	WAREHOUSE	GC	2	2
065	020	000440	0020	6,600	1938851	\$600,000	02/12/03	\$90.91	FIELD ROOF SERVICE INC	I	2	2
065	020	142204	9004	43,750	1958908	\$2,723,500	05/16/03	\$62.25	WAREHOUSE	M1	1	2
065	020	142204	9026	6,865	1884904	\$1,675,000	05/08/02	\$243.99	SIGN SHOP	M1	3	2
065	020	887980	0010	83,503	1964417	\$4,850,000	06/09/03	\$58.08	DIADORA	M1	1	2
065	020	002470	0020	15,193	1962507	\$937,328	05/28/03	\$61.69		M2	1	2
065	020	346280	0300	936	1874309	\$1,955,000	03/21/02	\$2,088.68	WALNUT GROVE M H PARK	MRM	1	2
065	030	000660	0019	78,540	1828183	\$3,520,000	06/28/01	\$44.82	POR OF N.W. ALUMINUM	CM	2	2

### Improvement Sales for Area 065 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
065	030	382800	0465	976	1901590	\$100,000	08/01/02	\$102.46	OFFICE	CM	1	2
065	030	000660	0077	9,930	1853128	\$438,000	11/20/01	\$44.11	0	CM2	2	2
065	030	982570	0345	7,159	1986160	\$514,800	09/04/03	\$71.91	EDLINE-YAHN FUNERAL HOME	DC	3	2
065	030	242204	9060	13,800	1964841	\$1,150,000	06/06/03	\$83.33	KIRSOP INDUSTRIES	DCE	3	2
065	030	242204	9151	8,444	1915610	\$400,000	10/08/02	\$47.37	KENT GYPSUM	DCE	1	2
065	030	543620	0341	3,690	1914303	\$320,000	09/25/02	\$86.72	UNIQUE SALVAGE	DCE	1	2
065	030	716520	0076	10,146	1827890	\$250,000	07/02/01	\$24.64	VACANT	DCE	2	2
065	030	917960	1540	5,560	1981123	\$470,000	08/13/03	\$84.53	MOTORCYCLE MANIAX	DCE	1	2
065	030	982570	1335	2,265	1853908	\$297,500	11/21/01	\$131.35	WASHINGTON PARK MTG SERVICES	DCE	1	2
065	030	543620	0503	3,464	1866876	\$620,000	02/05/02	\$178.98	EMISSION TESTING STATION	GC	1	2
065	030	543620	0526	122,399	1889333	\$10,750,000	05/28/02	\$87.83	NEIGHBORHOOD SHOPPING CTR	GC	2	2
065	030	917960	0775	4,000	1992655	\$490,000	09/29/03	\$122.50	VETERINARY TRANSPLANT SERVICES	GC	1	2
065	040	172205	9037	9,481	1886206	\$1,550,000	05/17/02	\$163.48	7-11 AND LINE RETAIL	CC	1	2
065	040	172205	9192	2,712	1845941	\$744,438	10/09/01	\$274.50	CAR WASH	CC	1	2
065	040	172205	9194	4,470	1979868	\$670,000	08/08/03	\$149.89	RETAIL	CC	1	2
065	040	172205	9200	7,200	1807994	\$440,000	03/27/01	\$61.11	RETAIL	CC	1	2
065	040	202205	9111	7,487	2005385	\$1,300,000	11/24/03	\$173.63	GIBSON & CO PERS SERV CTR	CC	1	2
065	040	202205	9188	7,650	1814512	\$660,000	04/27/01	\$86.27	STORES & APTS	CC	1	2
065	040	292205	9195	22,960	2000469	\$1,479,138	11/05/03	\$64.42	SKATE KING	CC	1	2
065	040	292205	9204	1,639	2000994	\$260,000	11/03/03	\$158.63	ART 1 HAIR PRODUCTION	CC	1	2
065	040	292205	9250	12,322	1999968	\$1,718,000	10/22/03	\$139.43	LAFAYETTE SQUARE	CC	1	2
065	040	783080	0116	21,998	1996208	\$3,180,000	10/10/03	\$144.56	BIG 5 SPORT GOODS/RETAIL	CC	1	2
065	040	783080	0132	4,000	1893585	\$726,500	06/21/02	\$181.63	PARKER PAINTS	CC	1	2
065	040	192205	9081	2,400	1929382	\$315,000	12/02/02	\$131.25	TRI-PLEX	MRM	1	2
065	040	202205	9117	24,105	1897592	\$3,635,000	07/09/02	\$150.80	EAST RIDGE OFFICE PARK II	O	2	2
065	040	883040	0031	2,016	1834972	\$313,600	08/06/01	\$155.56	OFFICE BLDG	O	1	2
065	050	412700	0870	1,512	1957689	\$550,000	05/03/03	\$363.76	OFFICE & RESIDENCE	BP	1	2
065	050	162206	9126	18,154	1950629	\$2,425,000	04/04/03	\$133.58	HAGEN PLAZA	CB	1	2
065	050	272206	9059	37,867	1823307	\$2,203,290	06/13/01	\$58.18	GOODWILL STORE	CB	1	2
065	050	222205	9010	24,248	1845761	\$2,825,000	10/04/01	\$116.50	MERIDIAN PLACE	CC	1	2

### Improvement Sales for Area 065 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
065	050	262205	9064	12,800	1932398	\$1,950,000	01/02/03	\$152.34		CC	1	2
065	050	282205	9062	171,259	1888687	\$21,900,000	05/30/02	\$127.88	LAKE MERIDIAN MARKET PLACE	CC	1	2
065	050	332205	9205	21,000	1935422	\$5,500,000	01/22/03	\$261.90	LOT 2 CITY OF KENT SHORT PLAT NO	CC	1	2
065	050	252205	9037	6,295	1860529	\$1,275,000	12/19/01	\$202.54	KENT MEDICAL	CD	1	2
065	050	262205	9154	2,340	1979032	\$430,000	08/06/03	\$183.76	CABLEWORKS GROUP	CD	1	2
065	050	262205	9190	0	1890769	\$1,500,000	06/06/02	\$0.00	USED CAR SALES LOT	CD	3	2
065	050	352205	9004	2,600	1797564	\$1,492,314	01/18/01	\$573.97	WASHINGTON ASPHALT	I	1	2
065	060	084400	0435	2,176	1850313	\$203,625	10/31/01	\$93.58	POST OFFICE	CMTYCML	1	2
065	060	084400	0900	1,188	1801394	\$120,000	02/12/01	\$101.01	LOS CABOS MEXICAN RESTAURANT	CMTYCML	1	2
065	060	615180	0561	3,450	1890485	\$250,000	05/29/02	\$72.46	LAKE SAWYER GROCERY	CMTYCML	1	2
065	060	252206	9057	3,866	1795641	\$180,000	01/03/01	\$46.56	RAVENSDALE GROCERY	NB	1	2